



Department of Energy

Washington, DC 20585

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MEMORANDUM FOR FIELD CHIEF FINANCIAL OFFICERS AND TRAVEL COORDINATORS

FROM:

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SUBJECT:

AMENDMENTS TO FEDERAL TRAVEL REGULATIONS

The Employee Travel Reform Act of 1996 includes legislative changes recommended by the Joint Financial Management Improvement Program to improve travel and the delivery of relocation services. The General Services Administration has published amendments to the Federal Travel Regulations (FTR) implementing those changes. The changes can be found in the referenced Federal Register and on the Internet at "<http://www.access.gpo.gov/nara/index.html>." The following is a brief description of the FTR changes implemented by the Department of Energy (DOE). These changes are effective on the date of this memorandum.

Technical Correction to Relocation Income Tax (RIT) Allowance. FTR Amendment 58, published in the Federal Register March 10, 1997, pages 10708 and 10709, implemented a technical adjustment to the RIT. Since moving expense reimbursements constitute supplemental wages for Federal income tax purposes, an agency must withhold at the withholding rate applicable to supplemental wages. The current withholding rate for supplemental wages is 28 percent. This higher rate (the previous rate was 20 percent) should be used in calculating the Withholding Tax Allowance (WTA) for all moving expenses.

Fixed Reimbursement for Temporary Quarters Subsistence and Househunting Trips. FTR Amendments 59 and 63, published March 21, 1997, pages 13755 through 13760 and 13768 through 13770, respectively, provide agencies the alternative to reimburse employees a fixed amount without requiring receipts for Temporary Quarters Subsistence Expenses (TQSE) and for househunting trip subsistence expenses instead of paying a per diem allowance under the lodgings-plus or actual expenses reimbursement method. The Department has determined that this is a cost-effective alternative to offer relocating employees. In both instances, TQSE and househunting, the employee will be offered the choice of the method of reimbursement. The choice must be made at the time the applicable travel is authorized and is not subject to change at a later date.

The fixed reimbursement for TQSE is for a fixed amount for up to 30 days. No extensions are allowed under the fixed reimbursement method. To determine the amount of the payment using this method, multiply the number of days authorized for TQSE by .75 times the maximum per diem rate for the locality of the new official duty station. Then, for each member of the immediate family multiply the same number of days by .25 times the same per diem rate. The payment will



be the sum of these calculations. No additional reimbursement will subsequently be provided if the payment is not adequate to cover the employee's actual TQSE.

The fixed reimbursement amount for househunting trips is exclusive of transportation costs and is not to exceed 10 days. To determine the amount of the payment using this method when the employee and spouse are traveling together or separately, multiply the maximum per diem rate for the locality of the new official duty station by 6.25. If only the employee or the spouse performs the househunting trip, multiply the maximum per diem rate for the locality of the new official duty station by 5.

Revised Temporary Quarters Subsistence Calculation for Actual Expenses. FTR

Amendment 59 also implemented two changes to the actual expense method of reimbursing TQSE. First, the maximum daily amounts will now be expressed in decimal format instead of the previous format which depicted them as fractions of the applicable per diem rate. The following table provides those decimals to be used in calculating the maximum daily amount of TQSE under the actual expense method.

For	You and/or unaccompanied spouse	Your accompanied spouse or a member of your immediate family who is age 12 or older	A member of your immediate family who is under age 12
First 30 days of temporary quarters	Applicable per diem rate	.75 times the applicable per diem rate	.5 times the applicable per diem rate
Any additional days of temporary quarters	.75 times the applicable per diem rate	.5 times the applicable per diem rate	.4 times the applicable per diem rate

Second, an extension of the temporary quarters period may be authorized regardless of when the compelling reason(s) occur. The FTR previously required that compelling reasons occur during the initial period of temporary quarters. This amendment eliminates that requirement. The definition of compelling reason remains "an event that is beyond your control and is acceptable to your agency." Regardless of the circumstances, TQSE reimbursement may not be extended for more than a total of 120 consecutive days.

Property Management Services. FTR Amendment 60, published March 21, 1997, pages 13760 through 13763, allows an agency to pay for property management services when an employee transfers to a foreign post of duty or is transferred back from a foreign duty station to a different nonforeign duty station. Property management services are typically offered by a company that assists a transferee in retaining and renting, rather than selling, his/her residence at the old official station. The purpose of this amendment is to relieve employees of the cost of maintaining their residence back home while assigned to a foreign post and to reduce overall government relocation costs by foregoing the reimbursement for sale of residence in lieu of the lower costs associated with property management services.

Modification of Residence Transaction Expenses Allowance and Use of Relocation Services Companies. FTR Amendment 62, published March 21, 1997, pages 13765 through 13567, eliminates the fixed dollar cap on residence transaction expenses reimbursement and modifies the regulations governing relocation services companies. The Department is adopting the change with regard to elimination of the fixed dollar cap on residential sales and purchases. Residence sale reimbursement is still limited to 10 percent of the sales price and residence purchase reimbursement is still limited to 5 percent of the purchase price. The change with respect to regulations governing the pricing of relocation services will be evaluated when the relocation contract is recompeted.

Temporary Change of Station. FTR Amendment 64, published March 21, 1997, pages 13770 through 13774, allows an agency to pay a limited set of relocation allowances in connection with a temporary change of station for a period of not less than 6, nor more 30 months. This amendment is intended to reduce Government expenditures for the long term assignment of an employee to a temporary official station and to increase the employee's satisfaction by providing an alternative to a long term temporary duty travel assignment that would involve a prolonged separation from his/her immediate family. This amendment allows for the payment of temporary relocation expenses for an employee and his immediate family, exclusive of sale of residence. An employee is not required to sign a service agreement in order to qualify for temporary change of station.

Transportation of a Privately Owned Vehicle Wholly Within the Continental United States. FTR Amendment 65, published March 21, 1997, pages 13794 through 13799, permits agencies to authorize the transportation of a privately owned vehicle (POV) in connection with the transfer of an employee within the continental United States (CONUS) or the assignment of a new appointee or student trainee who resides in CONUS to his/her first official station in CONUS, when the transportation is advantageous and cost effective to the Government. Previously, an agency could authorize transportation of a POV only to, from, or between posts of duty outside CONUS.

Reimbursement of Higher Actual Subsistence Expenses in Special or Unusual Circumstances. FTR Amendment 66, published June 3, 1997, pages 30279 and 30280, allows agencies to authorize or approve up to 300 percent of the prescribed maximum per diem rate for the actual and necessary expenses of official travel within CONUS. For travel outside CONUS, the State Department has also increased the maximum reimbursement for actual subsistence expenses to 300 percent. The change for travel outside CONUS is reflected in the supplement to the Joint Federal Travel Regulation, dated June 1, 1997.

Home Marketing Incentive Payments. FTR Amendment 61, published March 21, 1997, pages 13763 and 13764, allows an agency to pay a home marketing incentive to a transferred employee who uses the agency's home sale program provided by a relocation services company and who independently and aggressively markets, and finds a bona fide buyer for his/her residence resulting in significantly lower fee/expense payments the agency must make to the relocation services company. This amendment is not being implemented at this time, but will be implemented

once the relocation contract has been modified to incorporate this option. You will be notified when the modification is effective and the terms and procedures associated with the change.

If you have any questions regarding this memorandum, please contact Barry Uhlig at 202-586-6166 or Sterling Ross at 202-586-8662.